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RUEHDO/AMEMBASSY DOHA 0228
RUEHMK/AMEMBASSY MANAMA 0202
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SUBJECT: TURKEY: IRANIAN FINANCIAL FLOWS AND NETWORKS
(C-NE6-00566)

REF: STATE 173328

Classified By: Economic Counselor Thomas Goldberger. Reasons 1.5 b and d.

¶1. (C) There is a very small Iranian bank presence in Turkey. Bank Mellat Turkey has a main branch in Istanbul and two small branches in Ankara with a total of 50 employees according to reports published by the Banks Association of Turkey. The bank's website (www.mellatbank.com) reports that it is 100% owned by Bank Mellat Iran and has been operating in Turkey since 1981. The bank takes deposits, extends credit, and provides trade-related banking services, especially related to Iranian-Turkish projects and trade. According to the Banks Association, Bank Mellat Turkey's total assets were \$145 million, only \$15 million of which were in Turkish currency, at the end of 2005. This compares to total assets of the banking system as a whole of \$295 billion. Deposits were \$25 million, all of which were in foreign currency.

¶2. (C) As an indication of the insignificance of Iranian banking presence, when we raise the subject with the head of the Bank Regulatory and Supervisory Agency (BRSA) Tefik Bilgin, Bilgin was only vaguely aware of the existence of Bank Mellat and confused Habib Bank, a Pakistani bank, to be an Iranian bank. Bilgin said he was aware of no issues related to Iranian banks in Turkey. Two government owned Turkish banks, Ziraat Bank and Halk Bank (which is being privatized), maintain representative offices in Teheran.

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